



The Real Impact of the #GOPTaxScam: Another Broken Promise to the Middle Class

The #GOPTaxScam Means Giveaways to Wealthy Investors and Corporate Executives: Despite promising a “middle class miracle,” the Republican tax plan overwhelmingly benefits the wealthy and big corporations. Since the Senate tax bill passed, corporations have authorized \$125 billion in stock buybacks, including more than \$40 billion since final passage. If the words of key corporate executives and analysts are any indication, more is on the way.

The #GOPTaxScam Has Come With Large Layoffs Across The Country. Since the tax bill passed, major corporations have issued press releases touting how tax reform will help their workers – then quietly announced their plans to lay off American workers while lining the pockets of corporate executives and wealthy shareholders. More than 30,000 layoffs have been announced since the GOP Tax Scam passed.

The #GOPTaxScam Means The Wealthiest Few Get the Biggest Benefit While the Middle Class Gets Left Behind. In 2019, more than 9 million middle class families will face a tax increase because of the GOP Tax Scam. By 2027, 83 percent of the middle class will pay more in taxes or see a tax change of \$100 or less. Meanwhile, the top 0.1 percent of Americans would receive a six-figure tax cut every year. Sixty percent of the American people say the GOP Tax Scam favors the wealthy.

GIVEAWAYS TO WEALTHY INVESTORS AND CORPORATE EXECUTIVES

Research from Morgan Stanley: “83% of analysts surveyed indicated that companies under their coverage would put gains from lower taxes to use for share buybacks, dividends, and M&A.” [Morgan Stanley Research Update, 1/16/18]

Bank of America CEO Brian Moynihan: “We expect most of the benefits from tax reform to flow to the bottom line through dividends and share buybacks.” [Financial Times, [1/17/18](#)]

Maria Henry, Senior VP and CFO, Kimberly-Clark. “We also anticipate ongoing annual cash flow benefits from tax reform. That provides us flexibility to continue to allocate significant capital to shareholders, while we also fund increased capital spending and our restructuring program [layoffs] over the next few years” ... “In 2018, we plan to repurchase \$700 million to \$900 million of Kimberly-Clark stock. In addition, we’re increasing our dividend by 3.1%.” [Q4 2017 Results – Earnings Call via Seeking Alpha, [1/23/18](#)]

Joe Moeller, CFO, Proctor&Gamble: “We expect to pay nearly \$7.5 billion in dividends this year. We’re increasing our fiscal '18 share repurchase outlook from a range of \$4 billion to \$7 billion to a range of \$6 billion to \$8 billion, reflecting strong operating cash flow, continued working capital progress, **and the cash benefit enabled by the Tax Act. Combined we will return between \$13.5 billion and \$15.5 billion of value to shareowners this fiscal** [year] following \$22 billion last year.” [Q2 2018 Results – Earnings Call via Seeking Alpha, [1/23/18](#)]

Corporation	Share Buybacks Announced Since Senate Bill Passage (Billions)	Date
-------------	---	------

Wells Fargo***	\$22.572	23-Jan
Home Depot	\$15	6-Dec
Oracle	\$12	14-Dec
Pfizer	\$10	18-Dec
Honeywell*	\$6.5	8-Dec
Lowe's	\$5	26-Jan
Anthem, Inc.	\$5	7-Dec
Bank of America	\$5	5-Dec
Boeing**	\$4	11-Dec
Mastercard	\$4	5-Dec
Constellation Brands	\$3	5-Jan
United Airlines	\$3	7-Dec
Valero	\$2.5	23-Jan
PPG	\$2.5	14-Dec
SiriusXM	\$2	23-Jan
Liberty Global	\$2	18-Dec
American Tower	\$2	7-Dec
Teradyne	\$1.5	24-Jan
Kellogg Company	\$ 1.5	18-Dec
Prudential Financial	\$ 1.5	14-Dec
T-Mobile	\$1.5	6-Dec
Waste Management	\$1.25	15-Dec
Cincinnati Financial	\$1.163	26-Jan
Rockwell Automation	\$1	25-Jan
Edwards Lifesciences	\$1	7-Dec
Johnson Controls	\$1	7-Dec
Buybacks \$100M-\$1B	\$7.75	
Buybacks Since Passage of Senate GOP Tax Bill (12/2)	\$125.1 Billion	

THE #GOPTAXSCAM HAS COME WITH LARGE LAYOFFS ACROSS THE COUNTRY

Reuters: Walmart Hikes Minimum Wage, Announces Layoffs On Same Day. “Walmart on Thursday said it will raise entry-level wages for U.S. hourly employees to \$11 an hour in February as it benefits from last month’s major corporate tax cut and on the same day said it will shut stores and lay off thousands of workers. The world’s largest retailer and private employer, officially called Wal-Mart Stores Inc, will shutter 63 of its Sam’s Club discount warehouses, or about one tenth of the chain overall, according to a senior company official who declined to be named.” [Reuters, [1/11/18](#)]

USA Today: Kleenex, Huggies Maker To Cut Up To 5,500 Jobs, Close 10 Plants. “Kimberly-Clark, which also produces Huggies diapers, Kotex feminine hygiene products, Cottonelle toilet paper and Scott paper towels, plans to cut up to 5,500 jobs and close or sell about 10 plants. The Dallas-based company blamed sluggish sales and a bloated production base.” ... **“Savings from the recent federal tax cut would help fund the cost reductions. It ‘provides us the flexibility’ to do so,** Chief Financial Officer Maria Henry said on a conference call.” [USA Today, [1/23/18](#)]

Indianapolis Star: AT&T, Touting Bonuses And Investment Fueled By Tax Reform, Quietly Lays Off Thousands. “When AT&T Inc. announced it would hand out holiday bonuses to 200,000 workers thanks to Congress' recent tax overhaul, the company's statement failed to mention a separate, yet notable, personnel matter: Many employees will be getting laid off in the coming weeks. AT&T is eliminating thousands of jobs across the U.S., including 30 in Central Indiana, according to Communications Workers of America, the union that represents AT&T employees.” [Indianapolis Star, [1/2/18](#)]

Newsweek: Comcast Fired Hundreds Of Workers Before Christmas Alongside Pledge To Give \$1,000 'Trump Tax Cut' Bonuses. “Just two weeks before Christmas, hundreds of Comcast door-to-door salespeople were called into company offices and fired from their jobs, it has emerged, just after the telecommunications giant announced it would be giving out \$1,000 bonuses to staffers thanks to a major tax cut.” [Newsweek, [1/5/18](#)]

LA Times (Hiltzik): Pfizer, Pocketing A Big Tax Cut From Trump, Will End Investment In Alzheimer's And Parkinson's Research. “The big drug company Pfizer seems intent on being a pace-setter in cranking out the benefits of the tax cut to stakeholders who need them the least. In an announcement over the weekend, Pfizer said it was shutting down its research efforts on treatments for Alzheimer's and Parkinsonism. The company didn't say how much it was spending on the two conditions, but said about 300 researchers will lose their jobs as it redirects its research and development budget elsewhere.” [LA Times, [1/8/18](#)]

THE WEALTHIEST FEW GET THE BIGGEST BENEFIT WHILE THE MIDDLE CLASS GET LEFT BEHIND

Tax Policy Center: “By contrast, the highest-income one percent of households, who will make about \$733,000 and up, would get an average tax cut of roughly \$50,000 or 3.4 percent of their after-tax income. Those in the **top 0.1 percent, who will make \$3.4 million or more next year, would get an average tax cut of about \$190,000**, or 2.7 percent of their after-tax income.” [TaxVox, [12/18/17](#)]

According to data from the Joint Committee on Taxation, the nonpartisan official scorekeeper, more than 9 million middle-class families will face a tax increase in 2019 under the GOP Tax Scam. By 2027, nearly 145 million middle class families will face a tax increase or face a change under \$100. [[JCT D-17-58](#) and [JCX-68-17](#)]

ABC News: “Trump's signature achievement, the new tax law, is unpopular; **60 percent say it favors the wealthy (even most well-off Americans say so), and the public by a 12-point margin, 46 to 34 percent, says it's a bad thing for the country.** At the same time, a majority celebrates his most prominent failure, on Obamacare; 57 percent say the program's continuation is a good thing.” [ABC News, [1/21/18](#)]

###